



## Washington State Senate

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### Republican Caucus

July 8, 2010

The Honorable Christine O. Gregoire  
Legislative Building  
Olympia, Washington 98504

Dear Governor Gregoire,

As you are well aware, Washington's 2009-11 supplemental operating budget included an assumption that Congress would authorize an additional \$480 million in Medicaid funds for our state sometime this year. Now it appears that Congress may not provide the additional funds after all. That would leave our current budget in the red.

At the time the budget was written, members of our caucus warned against depending upon one-time monies and assumed federal payouts to balance the budget. Unfortunately, it appears that our worst fears may be played out over the next few months and our state budget may be plunged into an instant deficit.

According to recent news reports, if Congress does not authorize the additional Medicaid funds by its August 9 recess, you will consider calling the Legislature into a special session or issuing across-the-board cuts in state government.

Should you choose to call a special session of the Legislature, we believe it would be extremely valuable for legislative leaders to meet and develop a general frame-work of possible cost savings before the full Legislature is brought back to Olympia.

This approach would accomplish two things. First, it would give budget writers an opportunity to consider and endorse changes that will carry forward into the 2011-13 and 2013-15 biennia – budgets already projected to be billions of dollars in the red. These changes will be needed regardless of whether Congress comes through with part or all of the assumed Medicaid funding. Second, it would increase the likelihood of a short and efficient special session. The last thing Washington's already beleaguered taxpayers need is to pay for 147 legislators to spend a month or more in Olympia haggling and horse-trading over details of a new state spending plan.

Instead, they deserve a process that is open and bipartisan – in the spirit of your recently announced budget-transformation effort – and focused on producing long-terms savings that will address our state’s unsustainable spending problem.

Thank you for considering our request to gather budget writers prior to a special session, should that option be chosen. We look forward to your reply.

Sincerely,

Sen. Mike Hewitt  
Senate Republican Leader

Sen. Joseph Zarelli  
Ranking Republican, Ways and Means Committee

cc:     The Honorable Lisa Brown  
          The Honorable Frank Chopp  
          Sen. Margarita Prentice  
          Rep. Kelli Linville